HOUSING MARKET INFORMATION

RENTAL MARKET REPORT
Charlottetown CA

CANADA MORTGAGE AND HOUSING CORPORATION

Date Released: 2016

The overall vacancy rate*...

DECREASED to

1.7%

- Below CA
- Similar to CA
- Above CA

The average rent is*...

$825

- Below CA
- Similar to CA
- Above CA

PRIMARY RENTAL MARKET *(by bedroom type)*

Bachelor	One bedroom	Two bedroom	Three or more bedrooms
**	1.3%	1.7%	**
Vacancy Rate	Vacancy Rate	Vacancy Rate	Vacancy Rate
$560 Avg. Rent	$703 Avg. Rent	$872 Avg. Rent	$970 Avg. Rent

"Rising levels of international migration and a slow expansion of the stock of rental housing has resulted in a sharp decline for Charlottetown's vacancy rate in 2016."

Sarena Teakles
Market Analyst

*CMHC collects data on the primary and secondary rental market annually, in the fall. These data refer to the primary rental market, which only includes rental units in privately-initiated apartment structures containing at least three rental units. The secondary rental market covers rental dwellings that were not originally purpose-built for the rental market, including rental condominiums. The primary vacancy rate and rent level is based on all surveyed structures, while the rent increase is based only on structures common to the survey sample in both the current and previous year.

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Key Findings

- The apartment vacancy rate fell to 1.7 per cent.
- Rental demand stemmed primarily from immigration.
- Increased resale activity positively impacted demand for rental accommodations by seniors.

Tighter Rental Market Conditions for Charlottetown

Immigration is the primary driver of rental demand in the Charlottetown Census Agglomeration (CA), contributing to a downward trend in apartment vacancy rates for the past three years. In October 2016, the apartment vacancy rate[1] declined sharply to 1.7 per cent from 4.2 per cent a year earlier, according to CMHC's 2016 Fall Rental Market Survey. This year's apartment vacancy rate is now the lowest ever recorded for Charlottetown. This finding is in keeping with CMHC's recent Housing Market Insights – Prince Edward Island entitled *Migration & Housing: What it Means for Charlottetown.*

The number of tenants that have given or have received notice to vacate has grown. This can be seen in the increased spread between the availability[2] and vacancy rates. This spread encapsulates the percentage of tenanted units that have given notice. In October 2015, the spread was quite small at 0.4 per cent for the overall Charlottetown area. A year later it grew to 1.1 per cent. Despite an increase in the number of tenants giving notice, the low vacancy rate indicates that there is sufficient rental demand to quickly fill these soon-to-be vacated units.

Immigration and Seniors Are Driving Rental Demand

Supply side factors have contributed to Charlottetown's lower vacancy rates. Between July 2015 and June 2016, 119 new rental units were added to the universe. This has done little to address the more sizeable demand from the growing number of immigrants and seniors who are seeking rental accommodations. Developers appear to be cautiously watching the market, remembering the elevated apartment vacancy rate of 7.9 per cent just three years ago that was linked to the outmigration of recent immigrants[3].

Rental demand in the Charlottetown CA originated from two sources in 2016: immigrants and seniors. Between July 2015 and June 2016,

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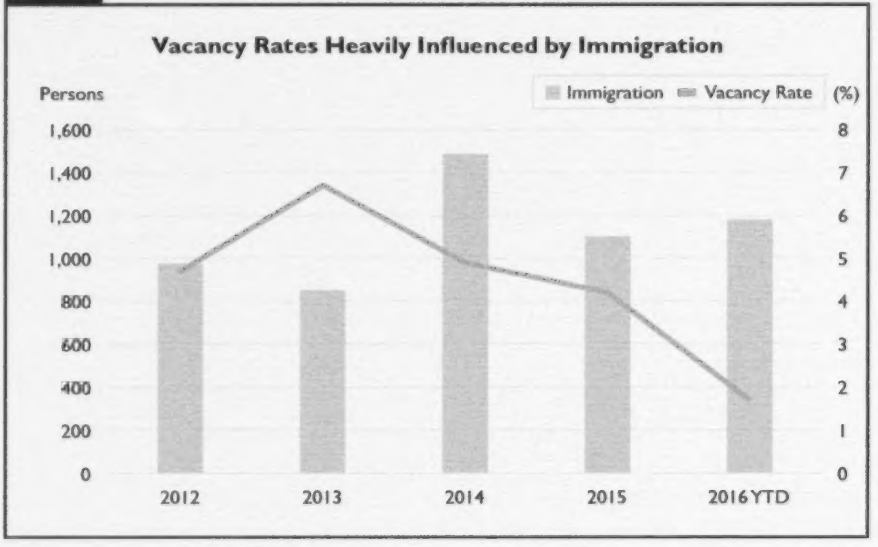
Figure 1



Source: IRCC, Canada - Admissions of Permanent Residents by Province/Territory and Census Metropolitan Area (CMA) of Intended Destination, CMHC, Fall Rental Market Survey.

[1] Based on privately initiated rental apartment structures of three or more units.

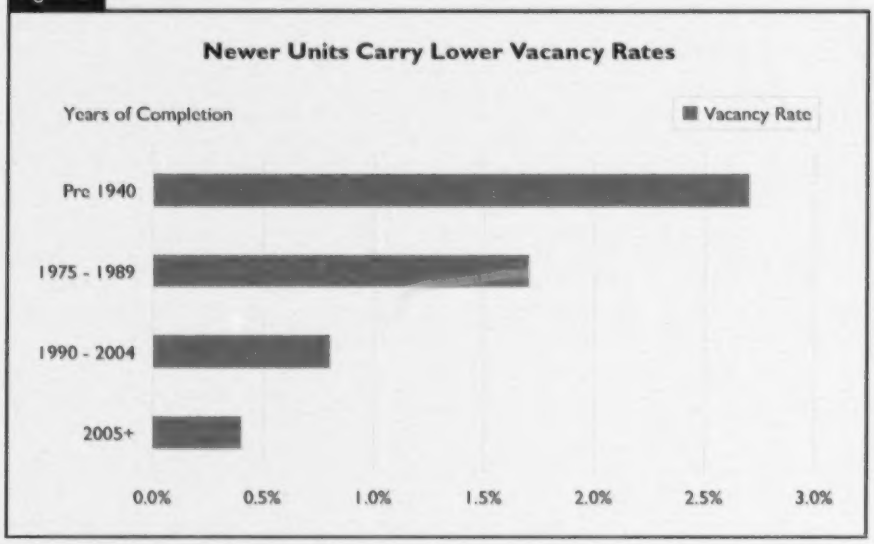
[2] A rental unit is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate.

[3] CMHC, Housing Market Insight – Prince Edward Island, October 2016.

it was estimated that 2,008 people immigrated to Prince Edward Island, 1,835 of whom decide to settle in Charlottetown[4]. It is common for newcomers to rent upon arrival while they familiarize themselves with their new home country. However, the vast majority of these immigrants are arriving under the Economic Class of the Provincial Nominee Program[5]. They are coming with resources in hand that might put them in a better position to purchase a home upon arrival or shortly thereafter. Charlottetown area MLS® sales over this period were up 24.5 per cent[6] on a year-over-year basis, with much of the increased activity due to recent immigrants[7] and partially a result of a spillover effect from tighter rental market conditions. Initiatives such as the Atlantic Growth Strategy will continue to attract immigrants to the Island, providing a source of long-term rental demand in Charlottetown.

The recent pick-up in MLS® resale activity positively impacted rental demand as it allowed downsizing seniors to move from ownership products into rental units. Newer rental accommodations are popular with downsizing seniors who are looking for the same or better finishes than what they had in their detached home, in addition to improved access to services and amenities. Seniors typically represent a more stable and longer term demand for rental accommodations as they are less interested than younger adults in the mechanics of moving. The apartment vacancy rate was 0.4 per cent for rental buildings that were built in or after 2005, well below the overall apartment vacancy rate of 1.7 per cent. Demand for these units appears strong despite their above average rents. The average rent of a two-bedroom apartment unit in one of these newer buildings was $1,031.

Figure 2



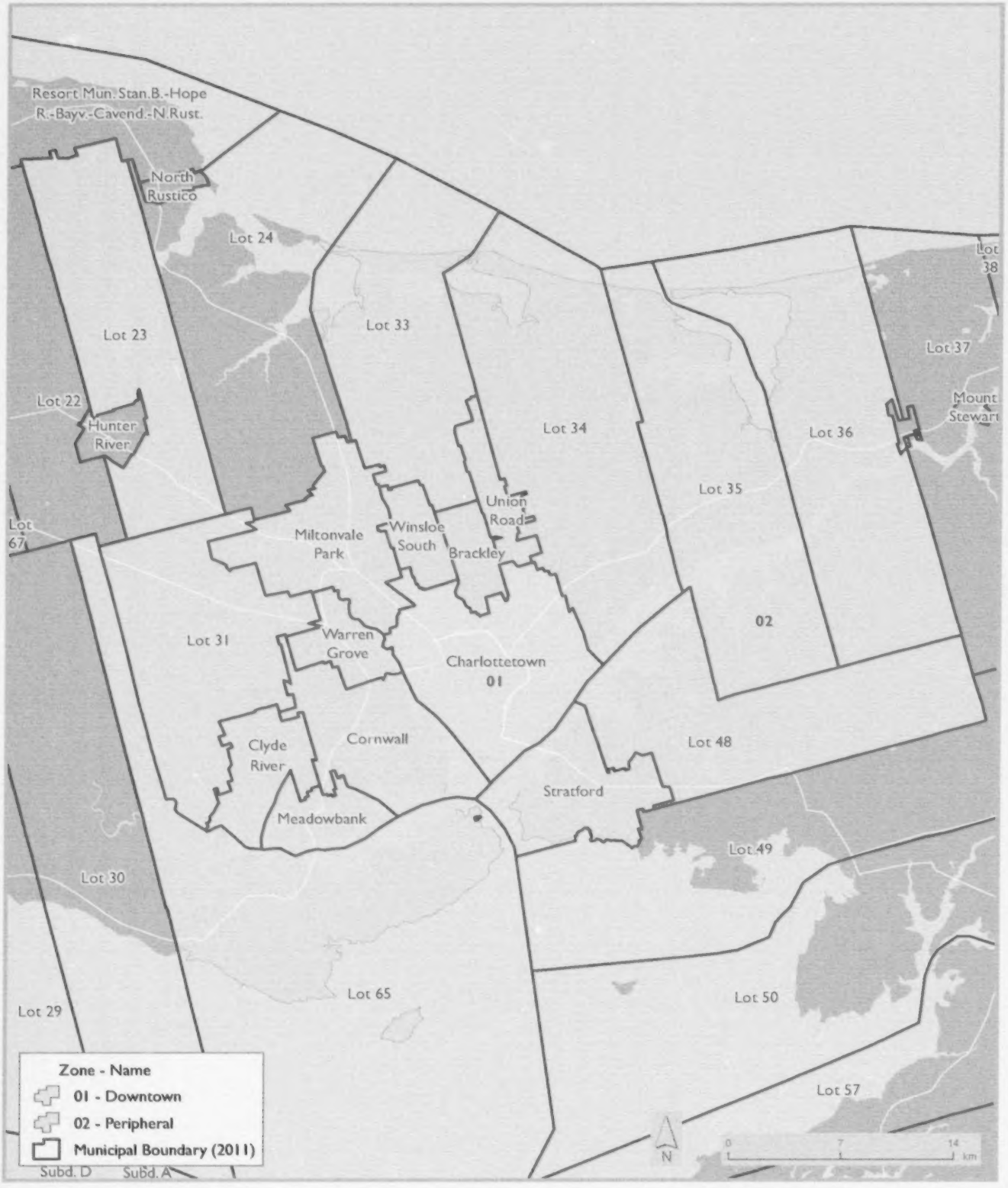
Source: CMHC, 2016 Fall Rental Market Survey.

[4] Immigration, Refugees and Citizenship Canada, Open Source Data, Canada - Admissions of Permanent Residents by Province/ Territory and Census Metropolitan Area (CMA) of Intended Destination (Q2 2016 ranking), Q1 2014 - Q2 2016*, accessed November 09, 2016.

[5] Immigration, Refugees and Citizenship Canada, Open Source Data, Canada - Admissions of Permanent Residents by Intended Province/ Territory of Destination and Immigration Category, 2000-March 2016, accessed November 09, 2016.

[6] Prince Edward Island Real Estate Association, aggregate of Area D, E and F for the July 2014 – June 2015 and the July 2015 to June 2016 periods. MLS® is a registered trademark of the Canadian Real Estate Association.

[7] CMHC, Housing Market Insight – Prince Edward Island, October 2016.


Resort Mun. Stan.B.-Hope R.-Bayv.-Cavend.-N.Rust.
North Rustico
Lot 24
Lot 23
Lot 33
Lot 38
Lot 37
Lot 22
Hunter River
Mount Stewart
Lot 34
Lot 36
Lot 35
Union Road
Lot 67
Miltonvale Park
Winsloe South
Brackley
02
Lot 31
Warren Grove
Charlottetown 01
Clyde River
Cornwall
Lot 48
Stratford
Meadowbank
Lot 49
Lot 30
Lot 65
Lot 50
Lot 29
Lot 57
Zone - Name
01 - Downtown
02 - Peripheral
Municipal Boundary (2011)
Subd. D
Subd. A
N
0
7
14
km

RMS ZONE DESCRIPTIONS - CHARLOTTETOWN CA	
Zone 1	**Downtown** - South of Royal Junction Rd and Union - Rte 221; West of Bridle Path Ln; East of Graham Rogers Lake and North River; North of the Hillsborough River.
Zone 2	**Peripheral** - Remaining of Charlottetown.
Zones 1-2	**Charlottetown CA**

RENTAL MARKET REPORT TABLES

Available in ALL Rental Market Reports

Private Apartment Data:

1.1.1 Vacancy Rates (%) by Zone and Bedroom Type
1.1.2 Average Rents ($) by Zone and Bedroom Type
1.1.3 Number of Units in the Universe by Zone and Bedroom Type
1.1.4 Availability Rates (%) by Zone and Bedroom Type
1.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
1.1.6 Turnover Rates (%) by Zone and Bedroom Type
1.2.1 Vacancy Rates (%) by Year of Construction and Bedroom Type
1.2.2 Average Rents ($) by Year of Construction and Bedroom Type
1.2.3 Turnover Rates (%) by Year of Construction and Bedroom Type
1.3.1 Vacancy Rates (%) by Structure Size and Bedroom Type
1.3.2 Average Rents ($) by Structure Size and Bedroom Type
1.3.3 Vacancy Rates (%) by Structure Size and Zone
1.3.4 Turnover Rates (%) by Structure Size and Bedroom Type
1.4 Vacancy Rates (%) by Rent Range and Bedroom Type

Available in SELECTED Rental Market Reports

Private Row (Townhouse) Data:

2.1.1 Vacancy Rates (%) by Zone and Bedroom Type
2.1.2 Average Rents ($) by Zone and Bedroom Type
2.1.3 Number of Units in the Universe by Zone and Bedroom Type
2.1.4 Availability Rates (%) by Zone and Bedroom Type
2.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
2.1.6 Turnover Rates (%) by Zone and Bedroom Type

Private Apartment and Row (Townhouse) Data:

3.1.1 Vacancy Rates (%) by Zone and Bedroom Type
3.1.2 Average Rents ($) by Zone and Bedroom Type
3.1.3 Number of Units in the Universe by Zone and Bedroom Type
3.1.4 Availability Rates (%) by Zone and Bedroom Type
3.1.5 Estimate of Percentage Change (%) of Average Rent by Zone and Bedroom Type
3.1.6 Turnover Rates (%) by Zone and Bedroom Type

Available in the Halifax, Quebec, Montreal, Gatineau, Ottawa, Toronto, Hamilton, Kitchener-Cambridge-Waterloo, London, Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Kelowna, Vancouver and Victoria Reports

Rental Condominium Apartment Data

4.1.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%)
4.1.2 Rental Condominium Apartments and Private Apartments in the RMS - Average Rents ($) by Bedroom Type
4.1.3 Rental Condominium Apartments - Average Rents ($) by Bedroom Type
4.2.1 Rental Condominium Apartments and Private Apartments in the RMS - Vacancy Rates (%) by Building Size
4.3.1 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate
4.3.2 Condominium Universe, Rental Units, Percentage of Units in Rental and Vacancy Rate by Project Size

Available in the St. John's, Halifax, Quebec, Montreal, Ottawa, Barrie, Toronto, Hamilton, St. Catharines-Niagara, Windsor, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Kelowna, Abbotsford-Mission, Vancouver and Victoria Reports

Secondary Rented Unit Data

5.1 Secondary Rented Unit Average Rents ($) by Dwelling Type
5.2 Estimated Number of Households in Other Secondary Rented Units by Dwelling Type

1.1.1 Private Apartment Vacancy Rates (%) by Zone and Bedroom Type Charlottetown CA										
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	**	**	3.6	1.3	4.8	1.8	3.2	**	4.3	1.8
Zone 2 - Peripheral	-	-	2.0	1.6	3.7	1.0	2.6	0.0	3.5	1.0
Charlottetown CA	**	**	3.6	1.3	4.6	1.7	3.1	**	4.2	1.7

1.1.2 Private Apartment Average Rents ($) by Zone and Bedroom Type Charlottetown CA										
Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	533	560	685	704	827	873	966	973	781	820
Zone 2 - Peripheral	-	-	680	680	847	869	967	957	840	857
Charlottetown CA	**533**	**560**	**685**	**703**	**830**	**872**	**966**	**970**	**789**	**825**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.1.3 Number of Private Apartment Units in the Universe by Zone and Bedroom Type Charlottetown CA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	158	156	1,228	1,251	2,762	2,788	192	185	4,340	4,380
Zone 2 - Peripheral	0	0	58	58	524	560	40	40	622	658
Charlottetown CA	**158**	**156**	**1,286**	**1,309**	**3,286**	**3,348**	**232**	**225**	**4,962**	**5,038**

1.1.4 Private Apartment Availability Rates (%) by Zone and Bedroom Type Charlottetown CA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	**	**	3.9 c	2.7 b	5.2 c	2.6 b	3.2 d	**	4.6 c	2.9 b
Zone 2 - Peripheral	-	-	2.0 c	1.6 c	4.3 b	1.8 c	5.2 a	2.6 a	4.2 b	1.8 b
Charlottetown CA	**	**	**3.8 c**	**2.6 b**	**5.1 c**	**2.5 b**	**3.5 d**	**	**4.6 b**	**2.8 b**

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Bedroom Type Charlottetown CA

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14 to Oct-15	Oct-15 to Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16	Oct-14 to Oct-15	Oct-15 to Oct-16
Zone 1 - Downtown	2.0 c	++	++	**	**	**	++	++	**	**
Zone 2 - Peripheral	-	-	0.5 b	++	++	++	-4.7 d	-3.3	++	++
Charlottetown CA	**2.0** c	**++**	**++**	****	****	****	**++**	**++**	****	****

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years

1.1.6 Private Apartment Turnover Rates (%) by Zone and Bedroom Type Charlottetown CA

Zone	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	n/a	**	n/a	**	n/a	25.9 d	n/a	**	n/a	24.7 d
Zone 2 - Peripheral	n/a	-	n/a	**	n/a	24.1 d	n/a	**	n/a	23.3 d
Charlottetown CA	**n/a**	****	**n/a**	****	**n/a**	**25.6** d	**n/a**	****	**n/a**	**24.6** d

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.1 Private Apartment Vacancy Rates (%) by Year of Construction and Bedroom Type Charlottetown CA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
Pre 1940	0.0 d	**	1.5	**	**	**	**	**	3.8	2.7
1940 - 1959	0.0 d	0.0 d	**	**	**	**	0.0 d	0.0 d	4.9	**
1960 - 1974	**	**	**	**	**	**	**	**	**	**
1975 - 1989	**	0.0 d	**	0.2	5.0	2.5	**	**	4.4	1.7
1990 - 2004	-	-	0.0	2.5	2.1	0.4	1.5	2.6	1.9	0.8
2005+	**	**	7.3	0.0	2.6	0.5	**	0.0	3.6	0.4
Total	**	**	3.6	1.3	4.6	1.7	3.1	**	4.2	1.7

1.2.2 Private Apartment Average Rents ($) by Year of Construction and Bedroom Type Charlottetown CA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
Pre 1940	517 b	514 b	641 b	650	802 b	854	961 b	891	698	714
1940 - 1959	523 b	550 d	647	656	750 b	756	1,017 b	866	699	707
1960 - 1974	**	**	622 b	601	665	680	779	844	652	669
1975 - 1989	562 b	589 b	659	658	704	745	848	926	691	718
1990 - 2004	-	-	759	736	852	860	1,037	1,055	863	864
2005+	**	**	836	873	977	1,031	1,055	1,045	949	998
Total	533	560	685	703	830	872	966	970	789	825

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.2.3 Private Apartment Turnover Rates (%) by Year of Construction and Bedroom Type Charlottetown CA

Year of Construction	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
Pre 1940	n/a	**	n/a	**	n/a	**	n/a	**	n/a	28.7 d
1940 - 1959	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
1960 - 1974	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
1975 - 1989	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
1990 - 2004	n/a	-	n/a	**	n/a	**	n/a	**	n/a	**
2005+	n/a	**	n/a	**	n/a	**	n/a	**	n/a	23.0 d
Total	n/a	**	n/a	**	n/a	25.6 d	n/a	**	n/a	24.6 d

1.3.1 Private Apartment Vacancy Rates (%) by Structure Size and Bedroom Type Charlottetown CA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
3 to 5 Units	0.0 d	**	4.7 d	**	5.6 d	**	**	0.0 d	4.7 d	4.5 d
6 to 19 Units	**	0.0 d	**	0.6 b	5.8 d	1.9 c	**	**	4.9 d	1.8 c
20 to 49 Units	**	**	3.1 d	1.9 c	1.7 b	0.7 a	**	**	2.0 b	0.9 a
50 to 99 Units	**	**	5.9 d	0.4 a	2.7 b	0.6 a	**	**	4.8 d	0.5 a
100+ Units	-	-	-	-	-	-	-	-	-	-
Total	**	**	3.6 d	1.3 c	4.6 d	1.7 c	3.1 d	**	4.2 d	1.7 c

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.3.2 Private Apartment Average Rents ($) by Structure Size and Bedroom Type Charlottetown CA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
3 to 5 Units	516 b	492	595 a	598	807 a	806	975 b	958	747 a	735
6 to 19 Units	528	531 a	665	665	762 a	799	949 a	949	744 a	774
20 to 49 Units	511 b	665	735 a	743	924 a	971	949 b	1,069 b	866 a	911
50 to 99 Units	**	**	754 a	825	1,254 a	1,292	**	**	951 a	1,011
100+ Units	-	-	-	-	-	-	-	-	-	-
Total	533	560	685	703	830	872	966	970	789	825

1.3.3 Private Apartment Vacancy Rates (%) by Structure Size and Zone Charlottetown CA

Zone	3-5		6-19		20-49		50-99		100+	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Zone 1 - Downtown	4.4 d	4.6 d	5.1 c	2.0 c	2.1 b	1.0 a	4.8 a	0.5 a	-	-
Zone 2 - Peripheral	**	**	4.0 c	1.1 a	1.2 a	0.6 a	-	-	-	-
Charlottetown CA	**4.7** d	**4.5** d	**4.9** c	**1.8** c	**2.0** b	**0.9** a	**4.8** a	**0.5** a	-	-

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

1.3.4 Private Apartment Turnover Rates (%) by Structure Size and Bedroom Type Charlottetown CA

Size	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
3 to 5 Units	n/a	**	n/a	**	n/a	**	n/a	**	n/a	25.1 d
6 to 19 Units	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
20 to 49 Units	n/a	**	n/a	**	n/a	16.6 d	n/a	**	n/a	18.0 d
50 to 99 Units	n/a	**	n/a	**	n/a	**	n/a	**	n/a	**
100+ Units	n/a	-	n/a	-	n/a	-	n/a	-	n/a	-
Total	n/a	**	n/a	**	n/a	25.6 d	n/a	**	n/a	24.6 d

1.4 Private Apartment Vacancy Rates (%)[1] by Rent Range and Bedroom Type Charlottetown CA

Rent Range	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16	Oct-15	Oct-16
Charlottetown CA										
LT $600	**	**	4.2 d	1.1 d	**	**	**	**	5.5 d	3.6 d
$600 - $699	**	**	1.8 c	2.2 c	**	5.6 d	**	**	5.3 d	3.4 d
$700 - $799	**	**	**	0.0 c	4.4 d	1.2 a	**	**	4.3 c	1.2 a
$800 - $899	**	**	**	0.7 b	3.2 d	1.0 d	**	**	4.1 d	1.4 a
$900 - $999	**	**	**	**	0.9 d	0.4 b	0.0 d	**	1.4 a	0.6 b
$1000+	**	**	**	**	2.7 c	0.9 a	**	**	2.9 c	0.9 a
Total	**	**	3.6 d	1.3 a	4.6 c	1.7 c	3.1 d	**	4.2 b	1.7 b

[1]Vacancy rate by rent range when rents are known. For the Total, vacancy rates include all structures.

For an explanation of the letters and symbols used in the Rental Market tables, please refer to our Methodology page.

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent levels, availability, turnover and vacancy unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy, availability, and turnover rates and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of percent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports. The rent levels in new and existing structures are also published. While the percent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in late summer and early fall to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS – rented single-detached homes, semi-detached (double) homes, rented freehold row/townhomes, rented duplex apartments (i.e., one-above-other), rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type), rented condominiums (can be any dwelling type but are primarily apartments), and one or two apartments which are part of a commercial or other type of structure.

The SRMS has two components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents in the following CMAs: Abbotsford-Mission, Barrie, Calgary, Edmonton, Halifax, Hamilton, Kelowna, Montréal, Ottawa, Québec, Regina, Saskatoon, St. Catharines-Niagara, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg.
- A Condominium Apartment Survey to collect vacancy and rent information in the following CMAs: Calgary, Edmonton, Gatineau, Halifax, Hamilton, Kelowna, Kitchener-Cambridge-Waterloo, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg.

Both these surveys are conducted by telephone interviews. For the Condominium Apartment Survey, information is obtained from the property management company or condominium (strata) board, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the Household Rent Survey, information is collected from an adult living in the household. Both surveys are conducted in late summer and early fall, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates from the Condominium Apartment Survey. For the Household Rent Survey, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

Every year CMHC reviews the method of estimation for Household Rent Survey, which may result in some changes to previously published estimates. All statistics in this report are reflective of the new method of estimation.

RENTAL MARKET SURVEY (RMS) AND SECONDARY RENTAL MARKET SURVEY (SRMS) DATA RELIABILITY

CMHC does not publish an estimate (e.g. Vacancy Rates and Average Rents) if the reliability of the estimate is too low or the confidentiality rules are violated. The ability to publish an estimate is generally determined by its statistical reliability, which is measured using the coefficient of variation (CV). CV of an estimate is defined as the ratio of the standard deviation to the estimate and CV is generally expressed a percentage. For example, let the average rent for one bedroom apartments in a given CMA be $\bar{x}$ and its standard deviation be $\sigma_{\bar{x}}$. Then the Coefficient of Variation is given by $CV = \frac{\sigma_{\bar{x}}}{\bar{x}}$.

Please click Methodology or Data Reliability Tables Appendix link for more details.

Reliability Codes for Proportions

CMHC uses CV, sampling fraction and universe size to determine the ability to publish proportions such as vacancy rates, availability rates and turnover rates. The following letter codes are used to indicate the level of reliability of proportions:

a – Excellent
b – Very good
c – Good
d – Fair (Use with Caution)
** – Poor – Suppressed
++ – Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
- – No units exist in the universe for this category
n/a – Not applicable

The following two tables indicate the level of reliability of proportions:

If the proportion is Zero (0) and sampling fraction is less than 100% then the following levels are assigned:

	Sampling Fraction (%) range				
Structures in Universe	**(0,20]***	**(20,40]**	**(40,60]**	**(60,80]**	**(80,100)**
3 – 10	Poor	Poor	Poor	Poor	Poor
11 – 20	Poor	Fair	Fair	Fair	Good
21 – 40	Poor	Fair	Fair	Good	Very Good
41 – 80	Poor	Fair	Good	Good	Very Good
81+	Poor	Good	Good	Very Good	Very Good

*(0, 20] means sampling fraction is greater than 0% but less than or equal to 20%; others are similar.

Otherwise, the following table is used to determine the reliability level of proportions:

	Coefficient of Variation (CV) %						
Vacancy Rate	**0**	**(0,5]**	**(5,10]**	**(10,16.5]**	**(16.5,33.3]**	**(33.3,50]**	**50+**
(0,0.75]	Excellent	Excellent	Excellent	Excellent	Excellent	V. Good	V. Good
(0.75,1.5]	Excellent	Excellent	Excellent	Excellent	Excellent	Fair	Poor
(1.5,3]	Excellent	Excellent	Excellent	V. Good	Good	Poor	Poor
(3,6]	Excellent	Excellent	V. Good	Good	Fair	Poor	Poor
(6,10]	Excellent	Excellent	V. Good	Good	Poor	Poor	Poor
(10,15]	Excellent	Excellent	Good	Fair	Poor	Poor	Poor
(15,30]	Excellent	Excellent	Fair	Poor	Poor	Poor	Poor
(30,100]	Excellent	Excellent	Poor	Poor	Poor	Poor	Poor

Reliability Codes for Averages and Totals

CMHC uses the CV to determine the reliability level of the estimates of average rents and a CV cut-off of 10% for publication of totals and averages. It is felt that this level of reliability best balances the need for high quality data and not publishing unreliable data. CMHC assigns a level of reliability as follows (CV's are given in percentages):

a – If the CV is greater than 0 and less than or equal to 2.5 then the level of reliability is **Excellent**.
b – If the CV is greater than 2.5 and less than or equal to 5 then the level of reliability is **Very Good**.
c – If the CV is greater than 5 and less than or equal to 7.5 then the level of reliability is **Good**.
d – If the CV is greater than 7.5 and less than or equal to 10 then the level of reliability is **Fair**.
** – If the CV is greater than 10 then the level of reliability is **Poor**. (Do Not Publish)

Arrows indicate Statistically Significant Changes

Use caution when comparing statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. When applicable, tables in this report include indicators to help interpret changes:

↑ indicates the year-over-year change is a statistically significant increase.
↓ indicates the year-over-year change is a statistically significant decrease.
– indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.
△ indicates that the change is statistically significant

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Turnover: A unit is counted as being turned over if it was occupied by a new tenant moved in during the past 12 months. A unit can be counted as being turned over more than once in a 12 month period.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution CMHC is able to provide information that benefits the entire housing industry.

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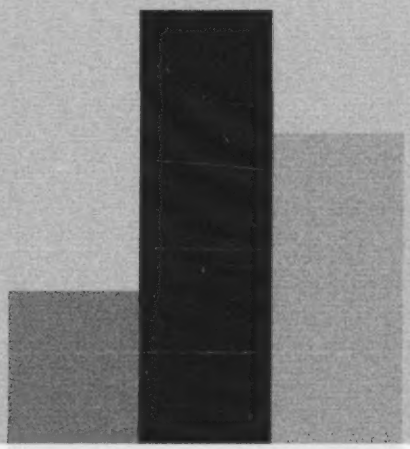

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